

Message Text

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PAGE 01 BEIRUT 11600 012006Z

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ACTION OPIC-12

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FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC 4507

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EO 11652: N/A

TAGS: EFIN ETRN LE

SUBJ: BOEING AIRCRAFT FRAME AND JET ENGINE MAINTENANCE FACILITY

SUMMARY: IN ORDER TO ANSWER AN INQUIRY FROM LEBANESE PRES FRANJIEH, EMBASSY WOULD APPRECIATE HAVING A CURRENT, AUTHORITATIVE, TOP-LEVEL POLICY STATEMENT FROM BOEING MANAGEMENT AS TO ITS INTEREST IN OPENING AN AIRCRAFT FRAME AND JET ENGINE MAINTENANCE FACILITY IN BEIRUT, AS EXPLAINED TO VARIOUS LEBANESE OFFICIALS DURING THE VISIT OF A BOEING DELEGATION TO LEBANON LAST JAN. END SUMMARY.

1. IN JANUARY OF THIS YEAR A SPECIAL BOEING TEAM VISITED LEBANON FOR THE PURPOSE OF EXPLORING FURTHER THE POSSIBILITY OF OPENING AT THE BEIRUT AIRPORT A REPAIR AND MAINTENANCE FACILITY FOR BOTH AIRCRAFT FRAMES AND JET ENGINES. THE INSTALLATION WOULD ALLEGEDLY CREATE 1300 NEW JOBS, PERHAPS UP TO 2500 WITHIN THE FOLLOWING 5 YEARS IF THE OPERATION PROVED SUCCESSFUL AS A SERVICE CENTER FOR THE ENTIRE MIDDLE EAST AREA. A PRECONDITION FOR PURSUING SUCH A PROJECT, HOWEVER, WAS THE EXISTENCE OF AN INVESTMENT GUARANTEE AGREEMENT BETWEEN LEBANON AND THE US.

2. FOR ITS PART, THE EMB GAVE CONSIDERABLE PUBLICITY TO THIS PROJECT WITHIN GOVT CIRCLES, NOT ONLY

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PAGE 02 BEIRUT 11600 012006Z

BECAUSE OF ITS TRADE PROMOTION POSSIBILITIES, BUT ALSO

BECAUSE IT APPEARED TO CONSTITUTE A GOOD INCENTIVE TO GET THE GOL FINALLY TO TAKE ACTION WITH RESPECT TO CONCLUDING AN INVESTMENT GUARANTEE AGREEMENT WITH US. AS A RESULT, PRES FRANJIEH BECAME PERSONALLY INTERESTED IN THE MATTER AND HAS ON SEVERAL OCCASIONS (ONE JUST RECENTLY) INQUIRED AS TO THE PRESENT STATUS OF BOEING'S INTENTIONS. OUR EFFORTS, HOWEVER, TO OBTAIN A REALLY AUTHORITATIVE REPLY FROM THE LOCAL BOEING OFFICE HAVE NOT PROVED FULLY SUCCESSFUL.

3. IN LIGHT OF THE ABOVE, WE BELIEVE A DIRECT INQUIRY SHOULD BE MADE IN WASHINGTON TO THAT DIVISION OF BOEING SPECIFICALLY CONCERNED WITH THE PROJECT TO DETERMINE IF BOEING IS IN FACT STILL INTERESTED AND, IF SO, UNDER WHAT CONDITIONS.

4. IN THE EVENT BOEING IS STILL INTERESTED, WE ASSUME THAT ONE CONDITION WOULD STILL BE THE CONCLUSION OF AN INVESTMENT GUARANTEE AGREEMENT. ANOTHER, WE HAVE HEARD, WOULD BE MAJORITY CONTROL OVER THE OPERATION. PERHAPS A THIRD WOULD BE THE ATTITUDE OF TMA AND MEA (AS IS KNOWN, MEA ALREADY POSSESSES AN AIRCRAFT FRAME MAINTENANCE FACILITY). THE IMPORTANT THING, HOWEVER, IS TO OBTAIN AN UP-TO-DATE AUTHORITATIVE POLICY STATEMENT FROM TOP-LEVEL BOEING MANAGEMENT ON WHAT THE PRESENT BOEING POSITION IS, A STATEMENT THAT WE WOULD THEN CONVEY TO THE LEBANESE PRESIDENT.

5. WE WISH TO EMPHASIZE THAT DESPITE PRESIDENT'S EXPRESSION OF INTEREST, WE ARE NOT ABLE TO PREDICT THE ULTIMATE POSITION OF THE GOL TOWARD THE PROJECT.
HOUGHTON

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